

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Sixth Session
February 24, 2011**

The Committee on Taxation was called to order by Chair Marilyn K. Kirkpatrick at 8:01 a.m. on Thursday, February 24, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Chair
Assemblyman Harvey J. Munford, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblyman John Ellison
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Lucy Flores (excused)

GUEST LEGISLATORS PRESENT:

Assemblyman William C. Horne, Clark County Assembly District No. 34
Assemblyman Marcus L. Conklin, Clark County Assembly District No. 37

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Cyndie Carter, Committee Manager
Mary Garcia, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

William Uffelman, President and CEO, Nevada Bankers Association
Susan Fisher, representing Valley Electric Association, Inc.
Yvonne Murphy, representing Great Basin Wind, LLC
Matthew Taylor, President, Nevada Registered Agent Association
Ray Bacon, Executive Director, Nevada Manufacturers Association
Lindsay Anderson, Director, Business Development and Research,
Division of Economic Development
Michael Richards, Ph.D., President, College of Southern Nevada
Russell Rowe, representing Nevada System of Higher Education
Matthew Schissler, Chairman and CEO, Cord Blood America, Inc.
Milton Glick, Ph.D., President, University of Nevada, Reno
James Richardson, Ph.D., representing Nevada Faculty Alliance

Chair Kirkpatrick:

[Roll was called.] We are going to go ahead and start with Assembly Bill 189.

Assembly Bill 189: Authorizes certain tax credits for qualified investments in Nevada small businesses. (BDR 32-804)

Chair Kirkpatrick:

We have Assemblyman Horne here today. Welcome to Taxation.

Assemblyman William C. Horne, Clark County Assembly District No. 34:

I am the primary sponsor of Assembly Bill 189. This bill requires the Department of Taxation to allow tax credits for qualified investments in small Nevada businesses. This legislative session is about helping Nevada businesses, creating jobs, and reviving our economy, and we are looking at every possible way to make that happen. We are working really hard this session to bring new businesses to our state, but we cannot ignore the existing thousands of small businesses that are already here and struggling to keep their doors open.

Assembly Bill 189 directs capital to struggling small businesses by providing investors with tax credits when they make qualified investments. With all the trouble our state has faced in this economic crisis, we want to make sure we are rewarding all investments in Nevadans. Investment in Nevada business is a display of commitment to our state and our people, and we, in turn, are showing our commitment to them.

I will walk through sections of the bill quickly and explain what they do. Sections 2 through 11 are new sections of Chapter 360 of *Nevada Revised Statutes* (NRS). They are general provisions relating to revenue and taxation. Section 3 defines an urban blighted area, which is generally an area in a large county with a population greater than 100,000. This is modeled after the same definition used in NRS 231.154 for purposes of administration of the Nevada Economic Development Fund.

Section 4 defines Nevada small business as an independently owned and operated business with less than \$2 million in annual gross receipts and fewer than 150 employees, at least 80 percent of whom are employed in Nevada.

Section 5 defines principal owners as persons who own 50 percent or more of a Nevada small business and are involved in such a business full-time.

Section 6 defines a qualified financial organization as any development corporation as defined in NRS Chapter 670; any corporation for economic revitalization and diversification; any banking organization doing business in Nevada that receives investments regulated by the federal government or commissioner of financial institutions and makes loans for public benefit; and certain nonprofit corporations that focus on community development or redevelopment, including housing and projects that benefit low-income communities.

I would point out that Bill Uffelman, President and CEO of the Nevada Bankers Association, recommended the word "and" in section 6, line 29, be changed to the word "or" because, with the "and" there, it implies the financial institutions would have to have all of those elements, and many do not have all of them.

Section 7 defines a rural area as a county with a population of less than 100,000.

Section 8 is where the percentage of tax credits is defined. It requires the Department of Taxation, upon application, to grant a 40 percent tax credit to

a person who invests in a Nevada small business, a 60 percent tax credit to Nevada small businesses that are in a rural or blighted urban area, or a 50 percent tax credit for a financial organization that directly invests in a Nevada small business.

Section 8, subsection 2, authorizes the application of the tax credit at the option of the person making the investment against the investor's liability for the payment of sales and use taxes, the state tax on financial institutions and other businesses, or the state tax on insurance premiums.

Section 8, subsection 3, provides some exemptions to which the tax credit may not be applied.

Section 9 specifies the types of investments and requirements to qualify for a tax credit pursuant to section 8. Section 9, subsection 1, requires that the investment be an unsecured loan, purchase equity, or unsecured debt securities of the small business and the business must remain a Nevada small business for at least five years. The operation of the business must be the full-time professional activity of the principal owners of the business.

Section 9, subsection 2, requires the qualified investor to invest not less than \$5,000 and not more than \$1 million in the business. The qualified investor must collectively own less than 50 percent of the business after their investments are made. Subsection 4 lists the persons not eligible for the tax credit.

Section 10 authorizes the Department of Taxation, after providing notice and an opportunity for a hearing, to revoke and require the repayment of a tax credit granted to a person who ceases to qualify for a tax credit.

Section 11 requires the Nevada Tax Commission to adopt regulations to carry out this act. It also requires the Commission on Economic Development to establish certain procedures and authorizes the Commission to adopt regulations.

Lastly, sections 12 and 13 include the effective dates for passage and approval of adoptions of regulations. These would be adopted by December 31, 2011, and the date for the full implementation of the act would be July 1, 2012.

That concludes my remarks. I believe this piece of legislation accompanies other pieces of legislation being brought forward this session that are designed to help our economy in various ways. This bill draws particular attention to our existing small Nevada businesses. I believe that, with the help of these

tax credits, we will give incentives, for those who have the ability, to invest in Nevada small businesses, allowing them to keep their doors open, hire additional staff, expand their businesses to buy more widgets, and to produce and sell the product they create to the public throughout the state.

This is just another component that is necessary to revitalize our economy. I urge your support, and I would be more than happy to answer your questions.

Chair Kirkpatrick:

Thank you, Assemblyman Horne. Does anybody have any questions?

Assemblywoman Neal:

I have a question on section 8, subsection 2, where you said the credit may be applied to any liability they have. Can you give me an example of how that would work? Basically, it says that "a tax credit authorized by this section may be applied to satisfy any liability of the person to whom the credit is granted." Does that mean it could be a previous liability? Could they come in before they even get designated as a business that fits in?

Assemblyman Horne:

I anticipate that being . . . If you look at section 8, subsection 2, paragraph (b), subparagraph (2), we even have it where, for rural or blighted urban areas, where you can become . . . it comes due during the two fiscal years immediately preceding the fiscal year in which the qualified investment was made, so in that instance, they can apply it to two years prior. Also, I envision it as if you make these investments, and you already have a tax liability, you can seek, by application, a credit for making those investments in Nevada small business.

Assemblyman Goedhart:

Is there a sunset on this tax credit? Also, this seems to say you can get a refund for taxes you paid in the two previous years. Is that correct?

Assemblyman Horne:

For urban and blighted areas, in section 8, subsection 2, lines 27–29, it allows for those two immediately preceding years. That is correct. You would be able to do that and get that credit.

Assemblyman Goedhart:

Does it also have applicability to certain blighted areas in the rural counties as well?

Assemblyman Horne:

Yes, there is no prohibition on where the blighted area is, as long as it meets the definition of a blighted area. As to your question about sunset provisions, the policy issue of whether or not you wanted this to have a sunset provision would be the purview of this Committee. You see, we asked that these investments stay in Nevada for at least five years. Keep in mind that, in this economic recovery, you would want to include a certain amount of time to allow that recovery to take place.

Assemblyman Munford:

I commend and applaud you for bringing this bill. My district has a lot of blight so we need something to encourage and influence investment and development in my district. It seems this bill will add some incentive to some investors or developers.

You said something about the bank playing a role in this. What role would a bank have? Do they try to influence certain people to look into investing in certain areas of need?

Assemblyman Horne:

As for the banks' involvement, these are basically for any qualified investment or financial organization that would be inclined to give investments. Currently, through my discussions with many small business owners, I have learned that one of the problems they had was something as simple as a line of credit. Some had impeccable credit—never late on their loans, the business is still operating well—and they still lost their line of credit. Others needed that line of credit to keep their doors open.

We want to give these financial organizations this incentive. That includes banks that can give directly to a small business. There can be indirect investments as well. As long as they can show how that indirect investment is aiding that small business, they can get a tax credit for it.

I understand about blighted areas in your district. It is the area I grew up in. I think that area is a good example. There is not a grocery store there. Having a grocery store near our homes is something many of us take for granted. People cannot get investments so they can come in and build a grocery store for the neighborhood. These people have to travel a great distance to get their groceries, or they buy their necessities at a convenience store, which is much more expensive.

Assemblyman Munford:

What about local governments? Are they playing any role in this?

Assemblyman Horne:

They had better not be giving any direct loans.

Assemblyman Munford:

But they can, to some extent, encourage things to happen at the local level, can they not? The City of Las Vegas plays a heavy role in what happens in their districts or wards. They can encourage this in a way, can they not?

Assemblyman Horne:

I believe encouragement would be the limit of what local governments could do to direct the investment.

Chair Kirkpatrick:

These are private dollars. They want private dollars. Mr. Olivas is here, and I am sure he is typing that to Ms. Fretwell (City Manager, City of Las Vegas) as we speak.

Assemblywoman Benitez-Thompson:

I think the language defines "blighted urban area," but you were saying the blighted areas could be anywhere. I just wanted to clarify that. Is this specifically for a blighted urban area or rural populations, and how are we defining the two?

Assemblyman Horne:

Section 8, subsection 1, paragraph (a), subparagraph (2), says this applies to a Nevada small business that is located or will be located in a rural area or an area that the Commission on Economic Development determines to constitute a blighted urban area. So you can be in a rural area and receive this, or you can be in a blighted rural area—there is a definition of a "blighted area" and of a "rural area."

Assemblywoman Benitez-Thompson:

So you could have a blighted urban area, a rural area, and a blighted rural area?

Assemblyman Horne:

Sure. I have never lived in a rural area, but there are blighted areas in some rural parts. If that language needs to be cleaned up, I have no issue with that.

Chair Kirkpatrick:

I think "blighted" is defined in statute. Did your committee not do that two sessions ago?

Assemblyman Horne:

Yes we did, with my eminent domain legislation.

Chair Kirkpatrick:

Typically, you might look in redevelopment areas for blighted areas. There are many small rural counties that do have those types of redevelopment areas, so that might give you a starting point to look.

Assemblywoman Benitez-Thompson:

I think my confusion was because I did not see a reference to "blighted rural area" so I wanted to make sure the intent was to include . . .

Assemblyman Horne:

The intent is not to exclude any of these places where small businesses are in need of these investments. There would not be a rationale to exclude a blighted rural area. If I am misinterpreting that language, I would be happy to get that changed.

Chair Kirkpatrick:

But I think it does include "rural" all by itself, right? If you are rural you are rural regardless.

Assemblyman Horne:

That's right, with a population of less than 100,000.

Assemblywoman Pierce:

In section 3, subsection 7, it seems that, under this definition, the only places in Nevada that do not qualify for this bill are the gold mines. The Las Vegas Strip is under this definition in subsection 7 simply because you say "tax receipts are inadequate for the cost of public services rendered." The Strip is in Clark County, and Clark County has had to cut way back because tax receipts are not coming in. Every square inch of Nevada is included in this bill. That is fine, if that is what we mean, but I want to make sure.

Assemblyman Horne:

I would remind the Committee that there is a \$2 million gross receipts limit on the small business.

Assemblywoman Pierce:

I know that, and it is not like the big casinos on the Strip would qualify, but I think everybody needs to be clear that every square inch of Nevada outside of a gold mine qualifies under this bill because everyplace has depreciated values. Every single county has had to cut back.

Is there any financial institution in Nevada that would not be qualified under this? I just want to know what is included here.

Assemblyman Horne:

I do not see in the bill where financial institutions would be disqualified. They would have to make investments within the parameters of this, so if a local community bank is making that investment, it still cannot be more than \$1 million and it cannot create a 50 percent or more interest in the business. If it were a Bank of America or Wells Fargo making the investment, the same rules would apply.

Assemblywoman Pierce:

That answers my first two questions. Thank you very much.

Assemblyman Anderson:

I just want to go on the record to say I think this is a great concept, and I am looking forward to seeing this bill go through the entire process.

Assemblywoman Bustamante Adams:

Thank you so much for bringing this piece of legislation forward. I have a lot of small businesses in my district, and I know they are the heart of what will help us get back on our feet. Are we borrowing this model from other states? If we are, can you talk about the successes they have had in implementing this type of legislation?

Assemblyman Horne:

This bill before you is primarily borrowed from Missouri. Michigan had one as well, but theirs was a much greater, more expensive program than we could ever do. I cannot give you statistics today, but I can get them for you. They show this has been promising. It has shaken some dollars loose for economic development in those states.

Assemblyman Stewart:

I have a similar question. I know there is going to be a fiscal note on this due to a loss in tax revenue. I just want to know if there are figures showing that this type of program brought an actual increase in tax revenue because of such

things as increased employment. If you could bring that information to us, it would be very helpful.

Assemblyman Horne:

That would, indeed, be helpful. The problem with something like this is we do not know who is going to participate. Mr. Uffelman, from the Nevada Bankers Association, says that with a small change, they like the bill and would like to see it go forward. It is my hope that many of these financial organizations will see the benefit in getting these tax credits and will get the word out so our small businesses can take advantage of this. I think what you are going to see is the growth in business—the flattening out of businesses closing and jobs being created. Only then will we start seeing the benefit of the investment due to this piece of legislation. As of today, though, we do not know who is going to throw their hat in the ring to participate.

Assemblyman Stewart:

In the other states that have used this, have the loans come exclusively from financial institutions, or have there been private investors? If there have been, have they played a big part? Do you have any idea on that?

Assemblyman Horne:

I will try to get that information for you on the scope of the investors who qualified in Missouri and Michigan.

Assemblyman Livermore:

As you probably know, I was a small businessman for 35 years, and I wish I had had some opportunities to use this. My question is about investment. Are you allowing multiple locations or multiple investments throughout a period of years?

Assemblyman Horne:

If I understand your question correctly, you are asking if I, as an investor, could invest in you and Mr. Anderson and Mr. Munford. The answer is yes. I do not see any prohibition in here for that type of restriction. We want to get the dollars out to as many people as we can. I am certain the more investments you are able to make, and the larger those investments are, will be reflected in the size of that particular operation and their tax liability to the state.

Assemblyman Livermore:

So that \$1 million is on an individual location and not the total of four locations. You do not add them up.

Assemblyman Horne:

That is correct. I do not think the legislation would do much good if, say, Bank of America said they were willing to invest \$1 million into a small business with gross receipts close to \$2 million, but then they could not make a similar investment anywhere else in Nevada.

Assemblyman Livermore:

That was why I asked that question. Sometimes, limited liability companies (LLCs) or similar arrangements would be the device through which that investment would come. I just wanted to make sure that if that was to be the case, and somebody wants to step forth and loan resources to businesses, that they are not limited to just one location.

Assemblyman Horne:

After fleshing this out and working with the Department of Taxation and this Committee, we can make various adjustments such as if 40 percent is too much to abate, 30 percent might be better. That is up to this Committee, but the overall principle is to provide an incentive to people to give these loans.

Chair Kirkpatrick:

Section 9, subsection 2, says you can give up to \$1 million, but ten people could not give that same business \$1 million, right? I think that is what it says.

Assemblyman Horne:

That is correct. That is a matter of ten investors each giving one business \$1 million rather than one investor giving ten businesses \$1 million.

Assemblyman Ellison:

This is basically for capital improvement only, right?

Assemblyman Horne:

I do not believe that is the case. It is not simply for capital improvement.

Assemblyman Ellison:

So it could be used for anything?

Assemblyman Horne:

These are investments in a small business. If you are a small business that wants to expand and hire three more people, that would qualify. An investor could give you a loan so you could hire those people to help get your product out. Your business would qualify, and the financial institution would qualify by giving you that loan.

Assemblyman Ellison:

I do not see it, but there has to be something in here that addresses misuse or fraud.

Assemblyman Horne:

There is no language in here that speaks to fraud, but there is language for getting a refund on tax credits you no longer are entitled to because you no longer meet the conditions. There are regulations put in place on how to go about the due process in saying someone received a credit they were no longer entitled to, so they owe that money back to the state. That is in here in section 10, subsection 2.

Chair Kirkpatrick:

That is called a clawback provision, but the language needs to be a little tighter here so it is clearer. Thank you, Mr. Horne. If there is anybody who would like to speak in support, please come to the table. Welcome.

William Uffelman, President and CEO, Nevada Bankers Association:

I believe you all got my suggested amendment on page 3, line 29, changing the "and" to "or" so financial institutions would actually qualify.

Chair Kirkpatrick:

Can you tell us what kinds of institutions would then qualify if we changed that?

William Uffelman:

To the best of my knowledge, all of the banks would qualify. Paragraph (b) is the part that disqualified banks because they do not necessarily receive investments from other financial institutions. They have deposits, but not investments.

Chair Kirkpatrick:

Thank you. Good morning.

Susan Fisher, representing Valley Electric Association, Inc.:

Valley Electric Association, located in Pahrump, Nevada, is the largest rural electric cooperative in Nevada. We do support this bill in hopes it will entice businesses and expansion of businesses into rural areas and blighted rural areas. We do not see any explicit restrictions, pending Commission on Economic Development regulation on this bill, as to what the funding could be used for, so it could possibly be used for expansion of utility facilities in a business where they are expanding and need to expand their utilities as well. We do support this bill.

Chair Kirkpatrick:

Does anybody have any questions? [There was no response.] Good morning.

Yvonne Murphy, representing Great Basin Wind, LLC:

I am representing Great Basin Wind and, basically, all of my clients. We are in full support of this legislation, and we look forward to working with the Committee in any possible way.

Chair Kirkpatrick:

Thank you. Good morning, sir.

Matthew Taylor, President, Nevada Registered Agent Association:

The Nevada Registered Agent Association is a trade organization of incorporators in the state. We have more than 42 members. We represent our clients, which are more than 125,000 corporations and LLCs here in Nevada.

We have had a chance to review this bill. We believe it is important legislation, and we will support Assemblyman Horne and any others in order to bring this legislation forward. We think it is going to help improve the climate for small business and improve the marketability of Nevada as well.

Chair Kirkpatrick:

Okay. Does anybody have any questions? [There was no response.] Thank you very much. Is there anybody who would like to testify as neutral on this bill? Good morning.

Ray Bacon, Executive Director, Nevada Manufacturers Association:

We totally support the concept of this bill and believe it is absolutely necessary to do something in this area. Our biggest concern is that the devil is in the details. Doing a retroactive tax credit could be an absolute filing nightmare for everybody involved. That is one of the provisions that would be difficult to administer, even though it is needed in some respects.

Part of the issue is that we have regulations from the federal government that have caused a lot of our problems with credit lines. I have people who have lost their credit lines completely. I am not sure we have the power, in Nevada, to reverse the damage they have done to the credit system at this stage of the game. The concern is pure and simple. Can we implement this at any kind of reasonable cost? Thank you.

Chair Kirkpatrick:

Thank you. Does anybody have any questions? [There was no response.] Good morning.

Lindsay Anderson, Director, Business Development and Research, Division of Economic Development:

We are mentioned in this bill as defining the urban blighted areas. We have the same concern as Assemblywoman Pierce. After reading the bill, it seems that every area in an urban area would qualify. So, we want to work with the bill's sponsor to make sure that is the intent.

Chair Kirkpatrick:

Does anybody want to testify in opposition to the bill? [There was no response.] Thank you. Does anybody else have any questions? Mr. Horne, do you have any last comments you want to make? [Assemblyman Horne indicated he did not.]

With that, we will close the hearing on Assembly Bill 189. We are going to invite the Majority Leader up to introduce his bill, Assembly Bill 191.

Assembly Bill 191: Revises provisions governing the partial abatement of certain taxes. (BDR 32-916)

Assemblyman Marcus L. Conklin, Clark County Assembly District No. 37:

I hope by now everybody has a copy of my presentation ([Exhibit C](#)) on the Nevada Electronic Legislative Information System (NELIS). Key tenets of this bill are looking at rewarding investment in Nevada, talking about strengthening our Nevada System of Higher Education, and encouraging good jobs for Nevadans. I do not think it is any secret that there is a true need in Nevada for rewarding investment in high-technology industries.

In the interim, Moody's Analytics, Inc., a subsidiary of the Moody's Corporation, worked with the Nevada Vision Stakeholder Group, which was appointed by the Interim Finance Committee's Subcommittee to Conduct a Review of Nevada's Revenue Structure in accordance with Senate Concurrent Resolution No. 37 of the 75th Session. As of 2009, Nevada's share of these high-tech industries was less than half of the U.S. average. There is a lot of space for growth.

They detailed 18 industries spanning medical and biomedical research, manufacturing, telecommunications, computer system design, software development, and a host of other manufacturing and service-related industries where we have significant opportunities for growth and expansion. Along with that growth and expansion comes true diversification in our economy.

There is a chart in my handout ([Exhibit C](#)) where you can see how we have continually lagged behind the rest of the country. While the rest of the country may remain flat into the next decade or two, even at modest growth rates, we are going to lag behind for quite some time.

In a recent survey, the University of Nevada, Reno (UNR) ranked 136th nationally in research investment. The University of Nevada, Las Vegas (UNLV) ranked 174th. Oddly enough, I believe UNR's research investment had grown 76 percent over the last decade. Even with that kind of growth rate, which is, quite frankly, very good, we still lag behind the rest of the nation.

On the jobs front, it is no secret that Nevada ranks number one in the country, but that is not a good thing to be. The June 2010 unemployment series you see before you rated our unemployment at 14.2 percent. This past December it was as high as 14.5 percent. Considering the fact that the lowest unemployment rate in the nation was in North Dakota, at 3.6 percent, we have a long way to go to find some equilibrium.

The upside to having unemployment is recognition that we have people with skills. Our objective is to bring those skills to market or retain and retool those skills and bring new jobs to the market.

That is really the focus of this bill. I would also mention that the Nevada Vision Stakeholder Group, when they looked at these types of issues, understood clearly that there are some true linkages between business and the university setting. It goes beyond just offering people an education. It goes directly to the quality of life our people lead. People with an associate's degree or a bachelor's degree, a doctor's degree, or any type of professional degree in that range are significantly less likely to be unemployed. Those with a bachelor's degree are 50 percent less likely to be unemployed in this current downturn.

What does that mean? It means our unemployment rate would be significantly reduced. By the same token, people with bachelor's degrees and professional degrees will make significantly more money over their lifetimes, in the range of \$1 million to \$2.5 million. That goes directly to the measure of gross domestic product and gross state product, which goes to the quality of life for every state. The more educated our workforce is, the less likely people are to be unemployed, the less likely our economy is to have violent ups and downs, and the more likely the quality of life of all our citizens is going to grow.

I want to go through a few specific tenets of A.B. 191. Businesses can apply, as they do for all tax abatements, to the Commission on Economic Development. The Commission can or will approve that partial abatement if the business is consistent with the State Plan for Industrial Development and Diversification that is developed by the Commission and if additional requirements are met.

In this case, a business must be located in Nevada or intend to relocate to Nevada. The business must continue to operate in Nevada for at least five years after being certified eligible for the abatement that is issued. Under A.B. 191, a business may become eligible if it makes a capital investment of \$500,000 or more in a research program at one of our two universities.

In addition to that investment, the business must employ at least 15 full-time people for the abatement. The business must hire at least two graduate students on a part-time basis. It must pay at least 125 percent of the average state hourly wage. The business must provide health benefits to all its employees, and it must obtain letters of support from the president and director of research at the university, as well as from the chair of the local regional economic development authority.

Additional requirements include the business must not be funded by a government entity other than private activity bonds or property from a governmental entity at no cost or a reduced cost. A partial abatement for businesses investing in university research does not apply to taxes imposed under the Local School Support Tax or the Sales and Use Tax.

What does all that mean? We are trying to create a robust relationship between businesses wanting to come to Nevada that need an educated workforce and our university systems. Businesses that are willing to make an investment in our system and use the product of that investment—in other words, hire people from that program—are the businesses we are looking for. Those are the types of lasting synergies that make sense for Nevada.

Unfortunately, at least in my opinion, we have been lacking significantly in this area. States across the country, from Massachusetts to Alaska, have implemented programs aimed at fostering these types of relationships between high-growth industries and research institutions. By providing incentives for research and investment, these abatements will not only promote future tax revenue but will also reduce our System of Higher Education's reliance on future State General Fund revenue.

By participating directly with businesses, our universities will align research and programs with growing, innovative sectors of our state's economy. It will give students the hands-on experience they need to stay in Nevada and work in cutting-edge jobs or job-producing projects. It will incentivize companies to hire and train Nevadans now while growing companies that will lead our economic growth in the decades to come.

Most state governments offer a tax incentive to stimulate research and development. As of February 2007, 41 states offered such a program. We do not.

One of the most successful states is North Carolina. Most of you are familiar with North Carolina's rapid expansion over the last three decades. They offer grants that credit up to 20 percent of a university's research expense, capped at 50 percent of the taxpayers' liability. They allow the unused credits to carry forward for up to 15 years.

Even Louisiana, to which we generally do not like to compare ourselves, has such a program. They give credit on donations of at least \$200,000 or more for biomedical and technological research and development in institutions of higher education. They also give tax exemptions on qualified concerns located in a university research and development park or operated in association with a public university in that state.

Ladies and gentlemen of the Committee, we are missing the boat in this regard. We have some opportunities in front of us. We have areas in which we know we can succeed. We have a university system we know has the capability to deliver. We need to infuse it with opportunities, and these opportunities come in the form of dollars.

On slide 12 of the presentation ([Exhibit C](#)), I list two of the areas in which we could have an immediate impact. These come from the report of the Nevada Vision Stakeholder Group and from previous reports on clustering in Clark County. One of the areas is health care. We have the University of Nevada School of Medicine in Reno and the University Medical Center of Southern Nevada in Las Vegas, which could form the nucleus of a health care cluster with state-of-the-art research, creating spinoffs in the medical equipment and supply fields.

The other area is water technology. Madam Chair, I talked to you prior to bringing this bill forward. If it is all right with you, I have some folks who want to testify, but there are some things that need to be cleaned up in the bill. There are also some areas of concern that I would like to further address in the bill.

Several of us from both parties and both houses met with a group called TechAmerica last week to discuss how the state could expand its diversification program and what we needed to do to bring in high-tech industries. While many of us were considering a more high-level program geared specifically toward research at our universities—such as myself, and that is why I brought this bill forward—one of the concerns they brought up was that what they needed was not always high-level education.

Sometimes what they need is true technological certification programs, the kind of programs that typically come from our community colleges. Those programs are shorter in term, but they are very specific in nature. They cover such things as Oracle certification, Microsoft certification, et cetera.

One of the things I would like to explore is whether there is a way to create synergy between TechAmerica-type companies and our community colleges to foster the same type of investment there. That investment could be capital in the form of actual computers; actual software; software licensing, which can be quite expensive; or actual dollars to support those programs. The sooner we can allow this type of relationship to grow, to foster, and to become robust, the better off our students, our universities, and our economy will be.

Assemblyman Stewart:

Thank you for bringing this forward. I do not know if you attended the Nevada 2.0: New Economies for a Sustainable Future conference at UNLV. I believe Dallas, Texas; Phoenix, Arizona; and Salt Lake City, Utah, were presented as having somewhat similar programs. Is this bill patterned after some of the things they have done? Secondly, can we include the Desert Research Institute (DRI) and Nevada State College as part of this?

Assemblyman Conklin:

It is my intention to work through and include all of them in some way, shape, or form that makes sense. The impetus of the bill itself actually came out of a bill from 2007, which I sponsored and which clearly did not pass. Assembly Bill 191 was not patterned after another state, but I will look at those states.

This is in its original form and it is going to need some work. There are some opportunities for us to build on this in a short-run capacity. Those are probably programs at Nevada State College and the College of Southern Nevada. I am not discounting the university system, but their programs tend to be a bit long-term.

In research, you are probably looking at either higher-level undergraduate or graduate level programs. That is where the larger investments should come in. However, it would also take those higher-level programs longer to produce visible changes in development and an impact on the economy. From my perspective, I would like to be able to include all those things, but one of the reasons this did not go forward in 2007 was the fact that we were facing some sort of fiscal crisis, as we always appear to be.

There are always naysayers when it comes to abatements. For example, if someone does not give us \$200,000 in sales tax, but uses it instead as a tax credit to give \$500,000 or \$1 million to the university system, the State General Fund goes down by \$200,000. Sometimes we have to think a bit longer-term. The person who is making that \$1 million investment today is actually only making an \$800,000 investment because he was going to pay \$200,000 in taxes anyway.

That \$1 million investment in our higher education is going to have a lasting impact on what our economy does in the future. The revenue we are able to generate as a state will grow with it. There is always that kind of push-pull debate about tax abatements in general. How much are they really worth? Can we quantify the yield that comes with giving away some of our general revenue when we know we have other things to fund? I imagine we will have this same debate over this bill as well sooner or later.

Assemblyman Stewart:

I might suggest, since UNLV President Neal Smatresk sponsored this conference, you might get some input from him. Also, I think Dr. Robert Lang, at UNLV, is very much involved in this.

Assemblyman Conklin:

I am certain there are people from the university system here now.

Chair Kirkpatrick:

Does anybody have any questions? [There was no response.] Mr. Conklin, as you go forward, we have to clarify some things. Is it intended for the graduate students to get health coverage? Is it intended that they get the same wage as everyone else? That is not clear. Also, we need to clarify that we need to take

out the school portion of the Sales and Use Taxes, as well as the Local School Support Tax (LSST) under Chapter 374 of *Nevada Revised Statutes* (NRS), to make education whole, just as we did last session.

Assemblyman Conklin:

I apologize. I would certainly defer to you on this because this is your area of expertise, having worked on it for many sessions. My reading of this is that the LSST is free and clear of this abatement. In other words, you can only abate that tax which does not already fund schools. It would certainly be my intention to make sure that remained the same.

Assemblywoman Neal:

I have a question about the paragraph beginning on page 3, line 40, where it talks about using up to 20 percent of the value of the tangible property possessed by the business. Is this allowing them to pledge 20 percent of their property as a security? Or is this allowing them to dispose of or use their property or sell it in order to serve a purpose of giving money?

Assemblyman Conklin:

That section is in lieu of other provisions of the chapter. That language is in current statute, and I would request that Mr. Nakamoto or your legal staff answer that because I simply do not know the answer.

Chair Kirkpatrick:

We do not actually have legal staff here. We do have policy staff. I am going to get Mr. Nakamoto to address this.

Michael Nakamoto, Deputy Fiscal Analyst:

The language in that paragraph is existing language in this particular section of NRS that deals with other abatements that do not apply to the language being added here. If there are specific questions regarding that particular section, I believe Lindsay Anderson from the Commission on Economic Development is here, and she could answer those.

Lindsay Anderson, Director, Business Development and Research, Division of Economic Development:

The paragraph you are referring to is current language dealing with how companies that are engaging in an expansion would qualify for that tax abatement. One of the parameters they would need to meet in order to qualify for the current abatement program would be increasing the value of their capital equipment by 20 percent. It is basically unrelated to what is being proposed in this bill. It is existing language for companies that are expanding.

Chair Kirkpatrick:

Mr. Skaggs and Ms. Anderson are going to be here most of the day. We could have them come to your office to clarify the existing language for expansion.

Assemblywoman Neal:

Thank you.

Chair Kirkpatrick:

I would hope that they could help us to make sure we do not duplicate other efforts—and I am going to send this message to the Board of Regents—and we get the right resources at the right schools so we can go forward. We typically do not hear from the schools, and we cannot legislate them.

I use the William F. Harrah College of Hotel Administration at UNLV as a great example of a program that has come to our state, has done well, and is world-recognized. I think this is a good opportunity going forward. I just want to make sure we streamline the process and do not create duplications of effort. We really need to focus on getting the certification programs you mentioned.

Assemblyman Conklin:

The language on lines 23 through 42 on page 5 of the bill, subparagraph (7), is specifically designed to make a couple of linkages. One is for the university president to say yes, this is money the university would like to get, and they think investors should receive an abatement for investing.

Also, the purpose of that language is to make sure this money is being used for the broader diversification of our economy. It is not just about the university system; it is about Nevada as a whole. It is about diversifying our economy.

We will never move away from tourism and gaming; it will always be here, and it will always be a large—if not our largest—industry for the simple fact that it is massive now. We need to make investments in and grow the other areas so we can balance them with gaming so it is not the only cart we have to ride on when times get tough. The purpose of this is to make sure the monies infused into our university system that get abated go into programs in areas other than those areas where we are already maximizing our opportunities.

Assemblyman Anderson:

I would like to hear your thoughts on other abatements across the country. Do you think this will put us in the position of a leader of the pack for people looking for research dollars?

Chair Kirkpatrick:

Mr. Conklin, I could chime in if you would like.

Assemblyman Conklin:

I would certainly welcome you chiming in, but I have some thoughts as well. Mine are broad, and yours are probably going to be a bit more specific.

In the broad sense, it will give us an opportunity we do not already have for attracting those dollars. We will need more. The reality is we can only abate what we take. We do not take that much, so there is not a lot to abate. But we are not necessarily the only state in that particular platform, either.

In one sense, will ours be the top program in terms of abatement and being able to attract more investment? It is tough to say. We do not have the resources to give back that some other states do. However, right now, investors get nothing for giving. If they are not getting a federal tax credit, which is due to expire, then they are getting nothing in return for their investments.

From my perspective, this is a very good step forward in starting to link businesses with research in our state. It would provide an incentive the state is capable of providing in order to help foster that relationship.

Assemblywoman Benitez-Thompson:

I was wondering if the portion of this bill, and the idea of directing the funds to the research purposes, was also an attempt to try and keep some of our best researchers in the state. I have heard concerns about "brain drain" at the universities—how some of our brightest researchers are looking for jobs elsewhere because of the current economic climate and what effect that may have on our universities. I am wondering if this bill might help address that.

Assemblyman Conklin:

I am going to leave that question for the people who are here from the university. My guess is it will be a help. In reality, the university systems across the country are highly competitive. As we continue to take money away from our system and drain what our universities can pay to top researchers, universities elsewhere, which do not face similar cuts, will begin to call and try to interest them to go there. We will always be faced with that possibility. But there is something here to balance that.

If we can do a good job of attracting private dollars for research and research capacity, it will give us an opportunity to let people who would like to stay know that there is a future and an opportunity here. It may also allow us the

opportunity to attract some new talent looking to do research in areas where people are willing to invest money in our system.

Chair Kirkpatrick:

Thinking about the conversation concerning the abatement and the competition, I have decided I am going to try to get a copy of that Nevada 2.0 conference. I did attend a good portion of it, and they talked about how the states that actually are succeeding now are the ones that reinvested in themselves. That is how we need to look at these things when it comes to our university system. We have to reinvest for our future. We tend not to do that as well as other states.

I will try to get a copy of Nevada 2.0 on a disk for everybody because it was very informative. Four different states had some real perspectives in the university system and how the research system was a huge component of diversifying their economy for years to come.

Assemblyman Conklin:

I will take all the help I can get.

Chair Kirkpatrick:

With that, we are going to go ahead and hear from the people at the Grant Sawyer State Office Building in southern Nevada.

Michael Richards, Ph.D., President, College of Southern Nevada:

We are in support of Assembly Bill 191 as it is proposed to be amended. We think there are many opportunities here for the institutions within the Nevada System of Higher Education, and we are very enthusiastic about the prospects for helping Nevada's economy more than we are currently able to. We thank you, too, for considering the workforce technical training we offer at community colleges as part of this legislation.

The College of Southern Nevada (CSN), in particular, is positioned to provide training quickly and to provide the technician training in these high-technology industries. We do this already in a lot of ways. For example, at CSN, we have our Cisco Networking Academy Program and its various certifications as we train technicians for information technology networks. We also have our Honeywell partnership for training technicians in heating, ventilation, and air conditioning controls. A lot of those precedents are in place, and we can expand them under the provisions of this bill.

This bill would provide us with additional opportunities for partnerships, for more customized training ventures, and for more jobs in Nevada. We look forward to working with the Legislature on this bill throughout the session and providing any assistance we can to advance it through the legislative process. Thank you.

Chair Kirkpatrick:

Thank you. Does anybody have any questions? [There was no response.] We really appreciate you being part of the process.

Russell Rowe, representing Nevada System of Higher Education:

I wanted to introduce Matthew Schissler, with Cord Blood America, Inc. We wanted him to come today, and we appreciate his giving his time to come down. We are working with the Majority Leader on this legislation. We wanted you to be able to speak directly with someone from a company already involved with the university—someone who can speak specifically to how this legislation can benefit diversification and higher education goals. Also, after Matthew speaks, I would like to follow up, if I may, on one question regarding the bill that we would like to bring to your attention.

Chair Kirkpatrick:

Okay, go ahead.

Matthew Schissler, Chairman and CEO, Cord Blood America, Inc.:

Thank you for inviting me down. I really appreciate the opportunity to testify on behalf of this bill.

Cord Blood America has been in business for more than eight years. We process and store umbilical cord stem cells. We also collect and process placental stem cells. Umbilical stem cells are used to battle diseases such as cancers and leukemia. The placental stem cells are used more in tissue reproduction and are currently used to treat burn victims and people suffering from diabetic foot syndrome.

We moved our company to Las Vegas from California two years ago. That May, we took out a lease near the airport. We are very happy to be here. The reasons we moved are vast. Most importantly, we see in Nevada not only an opportunity to grow the organization in a very friendly environment, but also an opportunity to attract other businesses similar to ours to the state. We feel this state is ripe for business growth and economic development and is quite friendly to biotechnology businesses like ours.

We are in support of A.B. 191 for a number of reasons. From a business standpoint, to do research, we invest money in capital equipment to process and store stem cells. We have worked with university students in the last year coming to our laboratory facility to process and store stem cells and to test for diseases such as hepatitis and the human immunodeficiency virus. What an abatement like this would mean to a business like ours is that, rather than spending \$500,000 to \$1 million in a vacuum, we would have an incentive to work with the talent Majority Leader Conklin had mentioned—talent which may potentially leave the state.

This would give us an opportunity to work with that talent and get them assimilated into our business, as well as other biotech businesses. Our hope is to create new technologies and new processes—things that can create royalty streams for the business and provide jobs and income to Nevada. A bill like this is a perfect marriage for a business like ours. It would be good for us, the university, and the state.

I cannot echo enough the Majority Leader's comments that, right now, companies like ours get nothing for investment into the state for research and development. Because of that, I think something like this would be attractive. Knowing the stem cell and biotech business community as I do around the country, it would make Nevada highly attractive to other businesses wanting to locate or relocate.

In talking about diversification of revenue streams, I know the economy has been rough in this state, as well as nationwide. Companies like ours are showing growth patterns. In fact, our company grew 14 percent last year, and our revenues are expected to grow close to 40 percent, due to both organic growth and acquisition. This means increased revenues to the state. Technologies such as biotech—specifically the technology we are in with stem cells—really are the new technologies. A bill like this would be very beneficial to companies like ours as well as other companies we would like to attract to the state. I really appreciate this opportunity.

Chair Kirkpatrick:

Thank you. Does anybody have any questions? [There was no response.] Mr. Rowe, did you want to follow up?

Russell Rowe:

I have just one question about the bill. I know there will be some clean-up language. On page 5, lines 16–18, where it speaks to businesses that receive funding from other governmental entities, would governmental entity be defined in such a way as to include revenues from the federal government? For

example, would it include National Institutes of Health grants? We would suggest that a Nevada business would still have the opportunity to qualify for this abatement under this legislation, even if it does receive grants from the federal government.

As I understand it, the purpose of that language was to disallow any double-dipping within the state and to make sure the state receives the benefits from the monies being abated. That would not be the case with federal monies or federal grants. We would encourage you to make sure the language clarifies that.

Chair Kirkpatrick:

Thank you, Mr. Rowe. I do not think that is an issue. From a historical standpoint, I think this legislation is aimed at avoiding double-dipping when it comes to local governments, so you could not get an abatement from economic development and an abatement from this or that state or local program by stacking them. I am sure that is what the language was intended for and not the federal grant process. That is easy enough to clarify.

Milton Glick, Ph.D., President, University of Nevada, Reno:

I am speaking on behalf of my colleagues at the universities and the Desert Research Institute (DRI). We strongly support Assembly Bill 191. I also concur with the remarks of the Chair that the Nevada 2.0 conference was very enlightening and reinforced what Nevada needs to do if it is to compete in a very different economy.

At the University of Nevada, Reno, we produce \$65 million of funded research each year, which is half of all the funded research in the Nevada System of Higher Education. However, while that is great growth, as was pointed out by the Majority Leader, it is not enough to put us where we need to be if we are to really reinvent and diversify the state's economy.

We have spun off several businesses. In the past ten days alone, we announced two licenses. One is a license for a drug which would be a protein therapy for the treatment of muscular dystrophy. The other is an early diagnosis of meningitis infections. Both of these could save lives, as well as improve the quality of life. Both of these will be licensed to out-of-state firms because there is no firm right here ready to deal with the marketing and further development of these drugs. We would like them to be in Nevada. We would also like our engineers and scientists to stay in Nevada rather than leave for California or Utah.

As you pointed out, we run a risk of losing some of our top researchers. The University of Utah has just recruited one of our most entrepreneurial researchers with a salary increase of more than \$100,000 and between \$1 million and \$2 million in start-up funds. We think this is one tool we would like to have in our toolbox. We would be happy to work with you and with the Majority Leader as we refine this bill.

Chair Kirkpatrick:

Thank you. Does anybody have any questions? [There was no response.] Mr. Conklin, we are going to go ahead and see if anyone else would like to testify. If there is anyone else who would like to testify in support of A.B. 191, please come forward now.

James Richardson, Ph.D., representing Nevada Faculty Alliance:

We have chapters on all campuses. All of our faculties are excited about this bill. It is a wonderful concept, and we wish the bill along these same lines, which was submitted by Majority Leader Conklin two years ago, had passed.

I am also extremely happy to see serious discussion going on about the tremendous importance of diversifying Nevada's economy in a time of budget crisis and the role higher education can and should play in that. We want to help, and this bill will help us do that. We would like to pledge that, if you set up a work committee, we will work to make this a better bill. It does need some work, as Majority Leader Conklin said.

However, the bill may not need as much detail as some might think because the Board of Regents already has policies in place. For instance, you asked about health insurance for the graduate students, and we have policies in place for that. We also have intellectual property provisions. At some point in the new bill, I would think there would be explicit recognition that we would be adhering to the Regents' current policies that are already in place. We just need more funding, and this bill might help with that.

Chair Kirkpatrick:

Does anybody have any questions? [There was no response.] Okay. Thank you very much; we appreciate it.

Lindsay Anderson:

We at the Division of Economic Development are here to testify in support of this bill. This would certainly give us another tool in our toolbox as we work with companies interested in relocating or expanding to Nevada. We look forward to working with the bill's sponsor in improving the bill. One of our points was to include the entire System of Higher Education, which has already

been mentioned. We have a couple of questions about whether this program is only available for new or expanding businesses, or if it could also be available for companies already in Nevada that invest in the university system for research that would then allow them to expand because of new product development.

We look forward to working to expand that language to encourage investment from companies that are already in Nevada. Recently, General Electric Energy in Minden made a donation to the University of Nevada, Reno for its engineering program. They were not necessarily engaging in an expansion, but we want others to engage in that type of donation to form that public-private partnership we are looking for.

Chair Kirkpatrick:

Thank you. I am sure the bill's sponsor is shaking his head that we always listen to the Division of Economic Development. Does anybody else want to testify in support? [There was no response.] Mrs. Bustamante Adams, do you have a question for Ms. Anderson?

Assemblywoman Bustamante Adams:

Is the Commission on Economic Development, then, responsible for developing a comprehensive communication plan to let entities know this piece of legislation exists?

Lindsay Anderson:

Yes. If this legislation is passed, and if other such legislation is passed during this session, we will revisit our marketing strategy to develop collateral that announces these new programs available for companies we are working with. That would definitely be part of our marketing program.

Chair Kirkpatrick:

I think you have a pretty good one, at least for solar energy. Perhaps you could provide a few samples. Your website is clear on how you do good things for different sectors.

Lindsay Anderson:

We can certainly provide you with samples of our existing marketing materials. I am sure we would include this new tool as part of any marketing we do going forward.

Chair Kirkpatrick:

One thing I can say is that the research is not limited to health care. There are so many different facets. We heard from the University of Utah that they are actually trying to find storage for batteries based on a grant they got from somewhere else. There is a very broad range of opportunities out there.

Would anybody else like to testify in support? Is there anybody who would like to testify in opposition? [There was no response to either question.] Is there anybody who would like to testify as neutral?

Ray Bacon, Executive Director, Nevada Manufacturers Association:

I have a couple of points you might consider for enhancing the bill, as you said you are making changes to it anyway. At the top of page 5, where it talks about 125 percent of the state hourly wage, I would include a provision for start-ups that they may either include or exclude the owners, or something similar. What you will find, with a real start-up business, is the owners do not take any pay. If you include them in there, that could drive their average down. Consequently it should be their option. They will do that because they have at least part ownership. That is potentially future dollars, but it is not present dollars.

The second thing is along that same line. There is an opportunity in this program for somebody who comes in with very high-end research capability to also become part-time faculty in the university system. That should probably be considered somehow as an equivalent donation.

The third point is one you heard from the Utah Science Technology and Research initiative (USTAR) and in the other presentations. We have not done exceedingly well in this state in that we have taken the research our faculty wanted to do and tried to expand that into the business community. If you look at what USTAR is doing, they took a look at what the businesses wanted and then got the faculty to get on board. I do not know how we could put that in the bill, but I think this is taking a key step in the right direction.

Assemblywoman Benitez-Thompson:

My question is about your last statement. Would the business community be inclined to make the \$500,000 investment at the university in something they felt would not benefit them?

Ray Bacon:

It is more an issue of whether they have used the university or not. It has been difficult, in some cases, for a business that is doing something specialized to find the linkage at the university system because all the researchers are working on their own projects instead of working on things for which there is a demand. This should start to close that loop.

Assemblyman Anderson:

Mr. Bacon, thank you for your support of the concept. I think it is important that the business community gets behind this. I did want to ask about your statement about this going in the right direction. Is that not a chicken-and-the-egg sort of question? I think the issue for the Nevada System of Higher Education is that dollars are coming out of the System. We have to do whatever we can to get money into that System to make sure we have that research capacity in the first place before we can start going out and getting things done. Would you agree with that?

Ray Bacon:

Yes and no. We need to find the synergy between the two so it becomes a win-win situation. In many cases, the situation has been one where we have focused on creating what we wanted to create in the Nevada System of Higher Education without looking at whether it had a commercial application and, if so, if that commercial application was something we could do in this state. Let us just look at DRI. Many of the things we have done at DRI in the past have not had direct application in this state. They were applicable to somewhere around the world, but not in Nevada. Consequently, because there is a large amount of state funding, I think we need to somehow focus more on what we can do here.

Chair Kirkpatrick:

I think the goal is for the university system to be more aligned with the business sector so the business sector can succeed. We can continue to do the work and send it out of state to help somebody else succeed quite well, but the goal of the Nevada 2.0 conference was to bridge the gap, get rid of duplication of effort, and have the Board of Regents and the university system take on a new mission and try to work this way.

Ray Bacon:

That is correct.

Chair Kirkpatrick:

I personally think we are trying not only to direct them to be more efficient with the resources we have but also to actually get them to where they benefit the state for the long-term.

Mr. Conklin, do you have any other comments?

Assemblyman Conklin:

No, I do not. I will take all of the information if that is acceptable to you. Maybe I could get a few key stakeholders in this to work and flesh out the finer details, and then bring something back to you. If it is your desire, perhaps you or a member of your Committee could participate. It is up to you.

Chair Kirkpatrick:

Mr. Conklin, I have already spoken with Ms. Neal, and this is of interest to her. So, you have many people who need to go see her. I realize you are triple-tasking these days because you throw tasks to me if you cannot do them. As a consequence, I am also triple-tasking.

Ms. Neal, if you could shepherd this and bring back some direction for the Committee based on what you have learned, it would be most helpful to Mr. Conklin and me. Also, the stakeholders who are interested could reach out to Ms. Neal. With that, we are going to close the hearing on Assembly Bill 191. I see that only a few members brought their revenue books. I am sure you did that on purpose so we could not go through them. We were going to spend the rest of the time going through the revenue books to make sure everybody is up to speed, as we are really going to drill down on some bills in the next few weeks. I want you all to be sure you are comfortable as we go through the process on how all the revenue works for our state before we start hearing some of those bills.

Since we do not have them with us, we can skip that today. However, if you have any questions, please get them to me. I have only gotten a couple of questions from you on how things work.

I wonder if the Committee would mind if next Tuesday we have an additional meeting of the Committee on Government Affairs instead of a Taxation meeting. On Thursday, I wonder if it would bother anybody if we did not have a meeting of either Taxation or Government Affairs. We are getting ahead. Do you have any thoughts? [There were no serious comments.] So we will not have a Taxation meeting at all next week.

I know I make us start our meetings at 8 a.m., but I am a morning person. If you would prefer, we could start our Taxation meetings at 9 a.m. I am looking for discussion on that. It would be a permanent change, at least until we get busy. Then we may have to make adjustments to start early. Okay, on future agendas, we will start at 9 a.m., but you had all better be on time.

Is there any public comment? [There was no response.] Until we have another meeting on the agenda, we are adjourned [at 9:35 a.m.].

RESPECTFULLY SUBMITTED:

Mary Garcia
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: February 24, 2011

Time of Meeting: 8:01 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 191	C	Assemblyman Marcus Conklin	PowerPoint Presentation: "AB 191, Rewarding investment in Nevada, Strengthening our universities, Encouraging good jobs for Nevadans"